



## Financial Market & Economy Update

### Domestic Update:

- The RBI's Monetary Policy Committee (MPC) surprisingly kept repo rate under the liquidity adjustment facility (LAF) unchanged at 5.15 % against the market expectation of 0.25 bps cut, while maintaining the accommodative stance.
- The RBI has cut its real gross domestic product (GDP) outlook for the current fiscal to 5 %. The central bank had in October projected GDP growth for 2019-20 at 6.1 %.
- GDP growth in the second half of FY20 is forecast at 4.9-5.5 %, and at 5.9-6.3 % in the first half of FY21.
- RBI revised CPI inflation projection upwards to 5.1-4.7 % for H2 FY20 and 4.0-3.8 % for H1 FY21.
- Helped by government stimulus measures, the Goods and Services Tax (GST) collection in November crossed Rs 1 lakh crore, after dropping below the Rs 1 lakh crore level for three consecutive months amid a deceleration of economic growth. November's GST collection stood at Rs 1,03,492 crore, of which CGST was Rs 19,592 crore, SGST Rs 27,144 crore, IGST collections stood at Rs 49,028 crore (including Rs 20,948 crore collected on imports) and Cess was recorded at Rs 7,727 crore (including Rs 869 crore collected on imports).
- The 2nd Annual India-Bhutan Development Cooperation Talks were held with India renewing its commitment to support projects under Bhutan's ongoing five year plan (2018-23). India has committed assistance of Rs. 4500 Crore for implementation of development projects and Rs. 400 Crore for transitional Trade Support Facility during Bhutan's 12th Five Year Plan (2018 - 2023).
- The IHS Markit India Manufacturing PMI rose to 51.2 in November from 50.6 in October when it had fallen to a two-year low. It remained above the 50-mark threshold that separates contraction from expansion.
- The Nikkei/IHS Markit Services Purchasing Managers' Index rose to 52.7 last month from 49.2 in October, above the 50-mark separating contraction from growth on a monthly basis.
- The value of India's overall exports rose about 8 % to USD 538.07 billion during 2018-19.
- Indian mills produced 1.9 million tonnes of sugar between Oct. 1 and Nov. 30, down nearly 54 % from a year earlier, with many yet to start crushing operations, the Indian Sugar Mills Association (ISMA) said on Tuesday.
- Bharat Bond ETF will have a fixed maturity period, like close-ended mutual funds and the units will be listed on stock exchanges. The ETF will include AAA-rated firms. The unit value of the Bharat Bond ETF will be capped at Rs 1,000.
- The auto component industry turnover witnessed worst ever decline in the first half of the current fiscal leading to a job loss of around 1 lakh temporary workers till July this year, industry body Automotive Component Manufacturers Association (ACMA) said on Friday. The auto component industry turnover dropped to 1.79 lakh crore in the April-September period, down 10.1 % from Rs 1.99 lakh crore in the year-ago period. The industry body said the slowdown has also resulted in an investment loss of up to USD 2 billion dollars during the period.

### Global Update:

- The Caixin China General Manufacturing PMI unexpectedly edged up to a near three-year high of 51.8 in November 2019 from 51.7 in the previous month and beating market expectations of 51.4. This was the fourth straight month of growth in factory activity, as both output and new orders grew solidly, new export orders saw the first back-to-back monthly rise in over 1-1/2 years and buying activity rose the most since January 2018.
- The IHS Markit/BME Germany Manufacturing PMI was revised higher to 44.1 in November 2019 from a preliminary estimate of 43.8 and compared to October's final 42.1.
- The IHS Markit Eurozone Manufacturing PMI was revised higher to 46.9 in November of 2019 from a preliminary of 46.6 and 45.9 in October.
- The IHS Markit/CIPS UK Construction PMI rose to 45.3 in November 2019 from 44.2 in October and above market expectations of 44.5.
- The ISM Manufacturing PMI in the US edged down to 48.1 in November of 2019 from 48.3 in October, well below market expectations of 49.2.
- The Caixin/Markit services purchasing managers' index (PMI) in China rose to 53.5 last month, the quickest pace since April, from 51.1 in October.
- Foreign Exchange Reserves in Japan decreased to 1317322 USD Million in November from 1324468 USD Million in October of 2019.
- Germany's industrial production unexpectedly dropped by 1.7 % month-over-month in October 2019, missing market expectations of a 0.1 % growth and following a 0.6 % fall in the previous month.
- Japanese households cut their spending for the first time in almost a year in October as a sales tax hike prompted consumers to rein in expenses and natural disasters disrupted business. Household spending dropped 5.1% in October from a year earlier, government data showed on Friday, down for the first time in 11 months and the biggest fall since March 2016 when spending fell 5.3%.



## Equity Market Update

- Indian benchmark indices lost 1 % in the week ended December 6 after the market

## Domestic Markets



Index	06-Dec-2019	29-Nov-2019	% Change
BSE Sensex	40445.15	40793.81	-0.85
S&P CNX Nifty	11921.5	12056.05	-1.12
CNX Midcap	16732	17222.15	-2.85
CNX 500	9669.4	9813.65	-1.47
BSE Smallcap	13339.35	13560.57	-1.63

## Global Markets



Index	06-Dec-2019	29-Nov-2019	% Change
Dow Jones	28015.06	28164	-0.53
Nasdaq	8656.53	8705.18	-0.56
S&P 500	3145.91	3140.98	0.16
FTSE 100	7239.66	7400.82	-2.18
Shanghai Composite	2899.47	2871.98	0.96
Hang Sang	26217.04	26346.49	-0.49

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	28600	30269	-1669
MF Flows*	22171	23650	-1479

\*FII data from 29th Nov to 5th Dec 2019

\*MF data from 25th Nov to 3rd Dec 2019

## F&O FII Trends (Rs. Crs)



Date	Index	Stocks
02-Dec-2019	-671.55	2106.64
03-Dec-2019	-190.51	-643.11
04-Dec-2019	-1226.45	437.83
05-Dec-2019	337.38	-292.68

## Policy Rates



Key Rates (%)	06-Dec-2019	1 Week Ago	1 Month Ago
Reverse Repo	4.9	4.9	5.15
Repo	5.15	5.15	5.4
CRR	4	4	4
SLR	18.5	18.5	18.5

## Key Rates



- participants were left disappointed with the Reserve Bank of India's (RBI) decision on December 5 to maintain repo rate, despite a majority hoping for a rate cut.
- The market remained volatile during the week as it finished lower for four out of the five trading sessions amid domestic cues including RBI policy and hopes of a trade deal between the United States and China.
- The RBI's Monetary Policy Committee (MPC) surprisingly kept repo rate under the liquidity adjustment facility (LAF) unchanged at 5.15 % against the market expectation of 0.25 bps cut, while maintaining the accommodative stance.
- In the past week, the Sensex fell 348.66 points (0.85 %) to end at 40,445.15, while the Nifty shed 134.55 points (1.11 %) to end at 11921.5.
- Broader Markets:** The BSE mid-cap index shed 2.77 %, while the small-cap index fell 1.63 % and the BSE large-cap index was down 1.30 % in the past week.
- Sector Update:** The Nifty PSU Bank index underperformed the sectoral indices with a loss of nearly 8 % during the week. Nifty Auto, Nifty Metal and Nifty Pharma fell by 3.46%, 3.41% and 2.84% respectively.



## Debt Market Update

- Indian government bonds tumbled this week, with the benchmark yield positing its biggest weekly rise in 20 months, after the country's Monetary Policy Committee yesterday maintained status quo on policy rates citing inflation risks, heightening the uncertainty over future easing.
- The benchmark 6.45% bond maturing in 2029 ended at 98.45 rupees, yielding 6.67%, in Mumbai. The yield rose by 20 basis points this week, the biggest rise since the week ended Apr. 20, 2018.



## Commodity Market Update

### Oil Update:

- Oil prices edged up for the week ending Nov. 15, with the price of West Texas Intermediate (WTI) for December delivery up 0.84 % and Brent crude oil for January up 1.26 %.
- WTI closed the week at 57.72 U.S. dollars a barrel on the New York Mercantile Exchange, while Brent crude for January finished the week at 63.30 dollars a barrel on the London ICE Futures Exchange.
- WTI and Brent crude prices have increased 27.11 % and 17.66 %, respectively, so far this year, falling from their peak levels in April when the growth of WTI hit over 40 %, and Brent crude over 30 %.
- U.S. crude oil inventories, excluding those in the Strategic Petroleum Reserve, increased by 2.219 million barrels during the week ending Nov. 8, beating analysts' expected growth of 1.649 million barrels, which implies weaker demand and bearish for crude prices.

### Gold Update:

- Gold price slipped marginally by Rs 6 to Rs 38,175 per 10 gram in Mumbai bullion market on the back of a strong rupee and mixed signals on the US-China trade talks.
- The rate of 10 grams 22-carat gold in Mumbai was Rs 34,968 plus 3 % GST, while 24-carat 10 gram was Rs 38,175 plus GST. The 18-carat gold quoted at Rs 28,631 plus GST in the retail market.
- Silver prices jumped by Rs 135 to Rs 44,115 per kg from its closing on December 5.
- The precious metal has gained Rs 156, or 0.41 % for the week, while silver slipped by Rs 255 or 0.57 % in the same period.



## Currency Market Update

- On a weekly basis, the rupee ended higher by 54 paise at 71.20 on December 6 versus the November 29 closing of 71.74.
- The country's foreign exchange reserves rose by \$2.48 billion during the week ended November 29, official data showed on Friday.
- According to the Reserve Bank of India's weekly statistical supplement, the overall forex reserves increased to \$451.08 billion from \$448.59 billion reported for the week ended November 22.
- The U.S. dollar, as measured by the ICE U.S. Dollar Index rose 0.3% to 97.68 against a basket of a half-dozen currency peers. However, for the week the index lost 0.6%.

Key Rates (%)	06-Dec-2019	29-Nov-2019	% Change
Mibor Overnight	5.2	5.25	-0.95
CALL (O/N)	5.05	5.06	-0.2
CBLO	4.89	4.9	-0.2
T Bills Index (12M)	5.24	5.11	2.54
10 Year GSEC	6.67	6.47	3.09

## Commodity Market



Commodity (INR)	06-Dec-2019	Gain+/Loss-	% Change
Gold (10 gm)	38032	145	0.38
Silver (1 kg)	44062	-246	-0.56
Crude Oil (\$/barrel)	64.39	0.98	1.55

## Currency Market



Currency	06-Dec-2019	Gain+/Loss-	% Change
USD/INR	71.32	-0.41	-0.57
EURO/INR	79.19	0.22	0.28
GBP/INR	93.88	1.22	1.32
JPY/INR	65.61	0.1	0.15

## Upcoming Events



Monday 09, 2019

Current Account OCT (JAPAN)  
GDP Growth Rate QoQ Final Q3 (JAPAN)  
Balance of Trade OCT (GERMANY)  
Current Account OCT (GERMANY)

Tuesday 10, 2019

Inflation Rate YoY NOV (CHINA)  
Balance of Trade OCT (GREAT BRITAIN)  
ZEW Economic Sentiment Index DEC (GERMANY)

Wednesday 11, 2019

Core Inflation Rate YoY NOV (US)  
Inflation Rate YoY NOV (US)

Thursday 12, 2019

Machinery Orders YoY OCT (JAPAN)  
Machinery Orders MoM OCT (JAPAN)  
Inflation Rate YoY Final NOV (GERMANY)  
Industrial Production YoY OCT (INDIA)  
Inflation Rate YoY NOV (INDIA)

Friday 13, 2019

Industrial Production YoY Final OCT (JAPAN)  
 Industrial Production MoM Final OCT (JAPAN)  
 WPI Manufacturing YoY NOV (INDIA)  
 WPI Fuel YoY NOV (INDIA)  
 WPI Food YoY NOV (INDIA)  
 WPI Inflation YoY NOV (INDIA)  
 Foreign Exchange Reserves DEC/06 (INDIA)  
 Balance of Trade NOV (INDIA)  
 Retail Sales MoM NOV (US)

## Week Gone By



Events	Actual %	Previous %
Caixin Manufacturing PMI NOV (CHINA)	51.8	51.7
Markit Manufacturing PMI NOV (INDIA)	51.2	50.6
Markit Manufacturing PMI Final NOV (GERMANY)	44.1	42.1
Markit Manufacturing PMI Final NOV (EA)	46.9	45.9
ISM Manufacturing PMI NOV (US)	48.1	48.3
Construction PMI NOV (GREAT BRITAIN)	45.3	44.2
PPI MoM OCT (EA)	0.1	0.1
Markit Services PMI NOV (INDIA)	52.7	49.2
Markit Services PMI Final NOV (GERMANY)	51.7	51.6
Markit Services PMI Final NOV (EA)	51.9	52.2
ISM Non-Manufacturing PMI NOV (US)	53.9	54.7
RBI Interest Rate Decision (INDIA)	5.15	5.15
Cash Reserve Ratio (INDIA)	4.0	4.0
GDP Growth Rate QoQ 3rd Est Q3 (EA)	0.2	0.2
Balance of Trade OCT (US)	\$-47.2B	\$-51.1B
Industrial Production MoM OCT (GERMANY)	-1.7	-0.6
Deposit Growth YoY NOV/22 (INDIA)	9.7	9.9
Foreign Exchange Reserves NOV/29 (INDIA)	\$451.08B	\$448.6B
Bank Loan Growth YoY NOV/22 (INDIA)	8.0	8.1
Non Farm Payrolls NOV (US)	266K	156K ®
Michigan Consumer Sentiment Prel DEC (US)	99.2	96.8

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### ***Risk Factors***

Mutual fund investments are subject to market risks, read all scheme related documents carefully.